

Message Text

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ACTION OPIC-06

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FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 2786

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DEPT PASS OPIC

E.O. 11652: N/A

TAGS: EINV, LE

SUBJECT: NEW LEBANESE INVESTMENT INSURANCE LAW

REF: HOWELL-MOLINEAUX TELCON 17 JAN

1. FOLLOWING IS AN UNOFFICIAL EMBASSY TRANSLATION OF THE
TEXT OF A GOL LEGISLATIVE DECREE ADOPTED JAN 15, BUT PUBLISHED
FOR THE FIRST TIME IN ARABIC IN AS SAFIR AND AN NAHAR JAN 19
AND IN FRENCH IN L'ORIENT -LE JOUR ON JAN 19:

BEGIN QUOTE:

THE PRESIDENT OF THE REPUBLIC BY VIRTUE OF THE CONSTITUTION,
AND IN CONFORMITY WITH THE LAW 2/76 DATED 12/30/76, THE DECREE
NO. 4517 DATED 12/13/72 AND THE LEGISLATIVE DECREE NO. 9
DATED 11/21/39 AND AFTER CONSULTATIONS WITH THE COUNCIL
OF STATE, UPON PROPOSAL OF THE MINISTRY OF FINANCE AND AFTER
APPROVAL OF THE COUNCIL OF MINISTERS DATED 1/8/77, DECREES
THE FOLLOWING:

ARTICLE ONE: A PUBLIC INSTITUTION SHALL BE ESTABLISHED
AND SHALL BE CALLED THE NATIONAL INSTPTUTE FOR THE GUARANTEE
OF INVESTMENTS.

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ARTICLE TWO: THIS INSTITUTE IS A MORAL PERSONALITY AND
ENJOYS FINANCIAL AND ADMINISTRATIVE INDEPENDENCE.

ARTICLE THREE: THE AIM OF THIS INSTITUTE IS TO INSURE,
AGAINST PREMIUM, NEW INVESTMENTS WHICH SHALL BE IMPLEMENTED
AFTER THIS LEGISLATIVE DECREE TAKES EFFECT. THESE INVESTMENTS

SHALL INCLUDE ALL THE FIXED MATERIAL ELEMENTS BELONGING TO INSTITUTIONS THAT HAVE COMMERCIAL CHARACTER, AS WELL AS PHILANTHROPIC, HEALTH AND CULTURAL INSTITUTIONS, AND INTERNATIONAL OR FOREIGN MISSIONS.

THIS GUARANTEE SHALL INCLUDE THE RISKS OF WAR AND THOSE DERIVING FROM ANY MILITARY OPERATIONS (WHETHER DECLARED OR UNDECLARED), CIVIL DISORDERS, SUCH AS CIVIL WAR, REVOLUTIONS, SUBVERSION AND ACTS OF VIOLENCE OF A PUBLIC NATURE. THE GUARANTEE SHALL COVER ONLY THE MATERIAL LOSSES THAT ARE PROVEN TO HAVE BEEN SUSTAINED AS A DIRECT RESULT OF THE RISKS COVERED.

ARTICLE FOUR: THE INSTITUTE SHALL PAY AN INDEMNITY ONLY IN THE CASE WHERE THE RISKS COVERED BY THE GUARANTEE AND INCLUDED IN ARTICLE THREE CAUSE LOSSES IN EXCESS OF FIVE PERCENT OF THE TOTAL INSURED AMOUNT.

ARTICLE FIVE: THE INSTITUTE SHALL MANAGE ITS OPERATIONS AND ORGANIZE ITS ACCOUNTS AND UNDERTAKE ITS OBLIGATIONS IN ACCORDANCE WITH THE PRINCIPLES ADOPTED IN THE INSURANCE SECTOR IN GENERAL.

THE INSTITUTE SHALL THEREFORE NOT BE SUBJECT TO THE ADMINISTRATIVE AND OPERATION RULES TO WHICH THE INSTITUTIONS OF THE PUBLIC SECTOR ARE SUBJECTED. HOWEVER, ITS ACCOUNTS SHALL BE SUBJECT TO A POSTERIORI CONTROL BY THE ACCOUNTING OFFICE.

ARTICLE SIX: THE INSTITUTE SHALL RECEIVE FROM THE INSURED AN ANNUAL PREMIUM, THE RATE OF WHICH SHALL BE DETERMINED UNCLASSIFIED

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BY A DECREE PROPOSED BY THE MINISTER OF FINANCE, AFTER CONSULTATION WITH THE BOARD OF DIRECTORS AT THE BEGINNING OF EACH YEAR. THE RATE SHALL NOT EXCEED TWO PER THOUSAND OF THE INSURED AMOUNT.

ARTICLE SEVEN: THE INSURANCE CONTRACTS SHALL BE ORGANIZED FOR ONE YEAR AND SHALL BE RENEWABLE AT THE OPTION OF THE INSURED, YEAR BY YEAR FOR A MAXIMUM PERIOD OF TEN YEARS, AT ANNUAL FEES FIXED IN ACCORDANCE WITH ARTICLE 6 OF THIS DECREE.

ARTICLE EIGHT: THE INSTITUTE SHALL BE SUBORDINATED TO THE MINISTRY OF FINANCE, WHICH SHALL EXERCISE AN ADMINISTRATIVE GUARDIANSHIP OVER IT.

ARTICLE NINE: THE INSTITUTE IS SUBJECT TO THE TERMS OF ARTICLE 959 OF THE LAW OF OBLIGATIONS AND CONTRACTS AND TO THE REGULATIONS FOR PUBLIC INSTITUTIONS WHICH DO NOT CONFLICT WITH THE TERMS OF THIS LEGISLATIVE DECREE.

ARTICLE TEN: THE INSTITUTE IS ACCORDED A TREASURY ADVANCE
TO ENABLE IT TO UNDERTAKE ITS ACTIVITIES FROM THE DATE THIS
LEGISLATIVE DECREE TAKES EFFECT.

ARTICLE ELEVEN: THE STATE GUARANTEES ALL OBLIGATIONS OF THE
INSTITUTE.

ARTICLE TWELVE: THIS LEGISLATIVE DECREE TAKES EFFECT THE DAY
AFTER IT IS POSTED ON THE DOOR OF THE PRIME MINISTER'S OFFICE.

BAABDA, 15 JANUARY 1977.

(SIGNED BY)

PRESIDENT OF THE REPUBLIC, ELIAS SARKIS

PRESIDENT OF THE COUNCIL, SALIM HOSS

MINISTER OF FINANCE, FARID RAPHAEL

END QUOTE.

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2. AN OFFICIAL GAZETTE DOES NOT NOW EXIST IN LEBANON. COPIES
OF NEWSPAPER TEXT OF THE DECREE, IN ARABIC AND FRENCH,
BEING FORWARDED TO THE DEPARTMENT.
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Message Attributes

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